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**U.S. PRESENTS FIRST COMPREHENSIVE SECTORAL  
NEGOTIATING PROPOSALS IN WTO SERVICES  
NEGOTIATIONS**

United States Trade Representative Charlene Barshefsky announced that the United States will today submit to the World Trade Organization (WTO) a negotiating plan to remove trade barriers across a broad range of services sectors. This is the second major negotiating proposal submitted by the United States since the WTO negotiations under the General Agreement on Trade in Services (GATS) began earlier this year. The new U.S. proposals seek to open markets and eliminate trade barriers affecting U.S. companies operating in financial services, telecommunications, energy, audiovisual services, and seven other sectors, as well as managers and professionals employed by these companies.

“Services are the backbone of the modern economy,” said Ambassador Barshefsky. “Our proposals aim to eliminate trade barriers to services across the board. These negotiations can significantly improve U.S. exports of services, and will benefit the over four million Americans whose jobs are supported by these exports, jobs in both the services and manufacturing sectors. Moreover, these are services that many countries want and need in order to help them develop and reap the benefits of a competitive, integrated global economy.”

“The purpose of the services negotiations is to complete one of the major unfinished tasks in the WTO: putting meat on the bones of the Uruguay Round’s GATS framework agreement and applying its market-opening provisions to new sectors and existing restrictions,” continued Ambassador Barshefsky. “With these proposals, we have identified those practices in other countries that adversely affect one of the most critical - and fastest growing - parts of the U.S. economy.”

The GATS negotiations are part of the WTO's built-in agenda. These negotiations began in January 2000, in the WTO Council for Trade in Services, in which all WTO Members participate. Service industries account for nearly 80 percent of U.S. employment and GDP and produced \$255 billion in cross-border exports last year. Cross-border trade in services accounts for more than 25 percent of world trade, or about \$1.4 trillion annually.

In July, the United States presented the first comprehensive proposal in the GATS negotiations, setting out in broad terms the United States' objectives and expectations. This proposal was followed by submissions from other countries, both developed and developing. The new U.S. submissions provide greater detail on the restrictions that the United States seeks to address in the negotiations.

Many service industries are subject to government regulation. The United States' new proposals highlight ways in which regulatory procedures can be obstacles to trade in services. Nevertheless, the proposals also recognize that there are appropriate roles for governments in regulating these services and that all WTO Members must continue to be able to set, maintain, and enforce high levels of protection for consumers, health, safety, and the environment. Finally, the U.S. proposals make clear that in areas related to social services – including education and postal services, as well as healthcare – the United States is not seeking to use the GATS negotiations to promote privatization of such public services.